



Iowa Department of
Administrative Services

State Accounting Enterprise

Chester J. Culver, Governor
Patty Judge, Lt. Governor

Mollie K. Anderson, Director
Calvin R. McKelvogue, Chief Operating Officer

DATE: January 15, 2008
TO: State of Iowa Employees
FROM: Department of Administrative Services, State Accounting Enterprise, Centralized Payroll
RE: W-2 Information – Calendar Year 2007

This memo is provided to assist you in understanding the information contained on the CY2007 W-2 (Wage and Tax Statement). The amounts to be added and subtracted in the following calculations can be found on an employee's last pay warrant of the year, in the year-to-date columns.

Box 1 ***Wages, tips, other comp.***

- + Gross pay
- + Taxable travel
- + Other certain employee business expense reimbursements
- Retirement deducted from employee's wages (shown in box 14)
- Pre-tax health, dental and life insurance premiums paid by employee
- Annuities / Deferred Comp (shown in box 12 of the W-2)
- Pretax flexible spending for dependent care benefits (shown in box 10 of the W-2)
- Pretax flexible spending for medical expenses
(unlike dependent care, this is not reported elsewhere on the W-2)

Box 2 ***Federal income tax withheld***

Determined by federal tax tables and the information provided by the employee on their federal form W-4 concerning marital status and withholding allowances.

Box 3 ***Social security wages*** (up to \$97,500 in 2007)

- + Gross Pay
- + Taxable Travel
- Pretax health, dental and life premiums paid by employee
- Pretax flexible spending plans for dependent care and/or medical expenses

Box 4 ***Social Security tax withheld (OASDI)***

Social security wages (box 3) x 6.20%

Box 5 **Medicare wages and tips**

Social security wages; no ceiling

Box 6 **Medicare tax withheld**

Medicare wages and tips (box 5) x 1.45%.

Box 7 **Social Security tips** (not applicable)

Box 8 **Allocated tips** (not applicable)

Box 9 **Advance EIC payment**

The amount paid to an employee who qualified for advance earned income credit.

Box 10 **Dependent care benefits**

The total amount deducted for participating employee's dependent care flexible spending account.

Box 11 **Nonqualified plans**

Amount of distributions to an employee from a nonqualified deferred compensation plan or 457 plan.

Box 12a-12d Codes used are applicable to some, but not all, employees:

C - Value of group-term life insurance covered over \$50,000 (imputed income)

E - Section 403(b) contributions

G - Section 457(b) contributions (deferred compensation)

P - Excludable reimbursed moving expenses

Box 13 "Statutory employee" box will have an X in it if the employee is a statutory employee. "Retirement plan" box will have an X in it if the employee was an eligible participant in a State retirement plan. "Third-party sick pay" is not applicable to State employees.

Box 14 **Other** – This is an optional field and DAS uses it to show an employee's deductions for their State retirement plan if their retirement plan is IPERS, Judicial, POR (Peace Officers Retirement), or TIAA CREF.

Box 15 **State** – The State for which an employee's wages are reported.

Box 16 **State wages, tips, etc.**

State taxable wages; same as Federal taxable wages (box 1)

Box 17 **State income tax**

State income tax withheld; determined by state tax tables and the information provided by the employee on their State form W-4 concerning marital status and withholding allowances.

Boxes 18, 19 and 20 **State income tax**

These boxes will be populated if the employee had wages to be reported in more than one state for the calendar year.